



Hauppauge Computer Works, Inc.
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Hauppauge, NY 11788

February 14, 2012

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Re: Compatibility Between Cable Systems and Consumer Electronics Equipment, PP
Docket No. 00-67; MB Docket No. 11-169

Dear Ms. Dortch,

This letter responds to comments made in the National Cable & Telecommunications Association (NCTA) letter of February 7, 2012 as to the proposed elimination of clear QAM digital cable TV. It takes issue with NCTA's assertion about the number of America homes that rely on clear QAM, and outlines alternatives to eliminate cable TV theft while preserving clear QAM TV service.

Cable operators do not measure clear QAM usage, therefore they undervalue clear QAM as a broadcast format

It is difficult for cable operators to track the number of clear QAM cable TV users because many of them, such as myself, subscribe to cable TV and rent set top boxes but still use clear QAM on additional TVs. In my house I have two cable TV boxes, one CableCARD receiver, and two TV sets that rely on clear QAM. But based on NCTA's letter, NCTA would report to the FCC that I must not rely on clear QAM because I rent a cable set-top box.

The NCTA letter demonstrates that it does not know how many of their members' subscribers rely on clear QAM. It says: "The Number of Basic Tier Customers Impacted By

Encryption Will Be Small” because “the overwhelming majority of basic tier customers in those systems use set-top boxes.” Thus, according to NCTA’s metric, a customer is not relying on clear QAM if she is renting a set-top box. This is fallacious.

We believe that most clear QAM users are subscribers to digital cable TV *and* have some number of cable TV set top boxes in their homes. From our conversations with our customers, approximately 40% of them use clear QAM on their Hauppauge TV tuners, 50% use ATSC and about 10% still use analog cable TV. In the last few years, the number of our customers using analog TV has decreased while both ATSC and clear QAM use has increased.

It is beneficial for consumers to be able to connect digital cable directly to a TV set using clear QAM, yet, as NCTA now illustrates, this usage cannot be and is not measured by cable operators. If cable operators cannot measure the usage of clear QAM by the rental of boxes, they assume the usage does not exist.

It is a dangerous to base public policy on the assertion that what you have not measured must not exist.

Eliminating clear QAM will force American consumers who use clear QAM to rent cable boxes. More cable boxes means more cost to consumers and increased energy consumption. Yet eliminating clear QAM offers no increased value for American consumers.

Cable operators have offered to provide free cable TV boxes to low income basic cable subscribers. But what about customers who use clear QAM on spare TVs or with Hauppauge and other TV tuners? These customers will simply be forced to rent more cable boxes.

NCTA said in its Nov. 28, 2011 Comments, “DBS and telco IPTV providers – each requiring set-top boxes for each of their subscribers – serve approximately 40% of the marketplace with all-digital service on a fully encrypted basis. A level playing field for all-digital MVPD systems and other video providers is particularly warranted where, as here, the marketplace is robustly competitive.”

NCTA’s ideal “level playing field” is one in which *all* viewers need a set-top box. This, however, implies more cost to consumers and more energy consumption – not less.

Where are the benefits for the American consumer? There are no additional services they receive. There are no extra channels they will get. Compared with the switch from analog to digital cable TV, where cable operators are able to use the freed analog bandwidth to offer more content to consumers, eliminating clear QAM adds no value. NCTA asserts, “Basic Tier Encryption Will Have Substantial Consumer Benefits ... encryption will free customers from having to wait at home for a service visit when connecting or disconnecting service.” What

this really means is that instead of the customer waiting at home for an installation, she must drive to a cable TV service center and *wait there* to pick up equipment. Stops at homes by trucks already in the neighborhoods would be replaced by 2-way drives by consumers. Environmentally this is at best a wash.

Eliminating clear QAM simply shifts the installation expense from the cable TV operator to the consumer

As a recent article in Business Insider¹ observed:

"As it stands, cable subscribers don't need a cable box for basic cable — they can get it straight through the wall. That means if they subscribe to cable, they don't need to pay for a set-top box to access the basic channels like ABC, NBC, and Fox."

"Cable companies want to change this, because if they rent out boxes to for every TV, they'll make more money."

There are alternatives to discontinuing clear QAM which can eliminate theft of service. These alternatives would allow consumers to continue to have clear QAM TV service in times of a national emergency.

Instead of discontinuing clear QAM, if cable TV operators would install an addressable RF trap at subscriber homes, they could enable or disable cable TV service remotely without requiring a truck roll. This would require the installation of an RF trap at each home where remote enable/disable of cable TV service is desired and could be installed at the time when service to a home was discontinued. Paying customers would not be impacted, and the equipment would be a one-time install when a home discontinued cable TV service. This can be done without any impact on cable modem and cable telephone service.

As a manufacturer of TV receiver hardware, Hauppauge believes an addressable RF trap would be less expensive than a basic cable TV box.

Keeping clear QAM is a public service benefit in times of natural emergencies

An addressable RF trap would be designed to operate with power off so that consumers would continue to have clear QAM service during power outages. Since clear QAM does not

¹ Kevin Lincoln, Cable Companies Have Launched A Massive Attack Against Boxee Over Set-Top Boxes, Feb. 8, 2012, http://articles.businessinsider.com/2012-02-08/tech/31036489_1_basic-cable-cable-companies-cable-subscribers.

require a cable TV box, this would be a significant advantage in areas where power might be lost due to a natural disaster. Battery powered TV sets and laptop computers with clear QAM receivers could continue to have TV service. Hauppauge manufactures ATSC and clear QAM TV tuners for laptop computers. Clear QAM would allow cable TV customers with battery powered laptops to have access to television service even when power is lost.

The addressable RF trap could be put in a S3 sleep mode, thereby reducing power consumption, waking up periodically to receive commands from the central office. Longer term, an addressable RF trap could be integrated into cable modems similar to the way in which telephone service is controlled through the cable modem box today.

An addressable RF trap would eliminate cable TV theft of service but would still allow cable operators to provide cable modem and telephone service to those customers who no longer need cable TV service.

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Eliminating clear QAM TV will remove the last opportunity for American consumers to simply connect a cable to a TV set and watch TV. It was this freedom that Congress sought to preserve in the legislation under which the basic tier rule was adopted. There is no power consumed by clear QAM and clear QAM is a good way to insure that TV service continues in times of national emergencies. We urge the FCC not to remove this convenient and efficient way in which consumers watch TV.

This letter is being provided to your office in accordance with Section 1.1206 of the Commission's rules.

Respectfully submitted,

/s/ Ken Plotkin

Ken Plotkin

Chief Executive Officer

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Chairman Genachowski

Commissioner McDowell

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